



School Business Alert

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Click to access the
[October School
Leader Update](#)

Department of Education Presentations on Student Activity Fund

Whether we like the answers or not, it is probably long overdue that we spend some time talking about the Student Activity Fund (SAF) and how those funds are and should be used. The Department of Education (Department) presented a couple times recently on this topic and the PowerPoint used is attached. A couple things from those presentations became very clear: 1) this is a very complicated conversation with many gray areas, and 2) there needs to be more consistency in both general understanding of the fund and the guidance various entities are giving on uses of funds.

As Jeff Berger stated at the IASBO/SAI Activities Conference, this is really more of a process than an event. The Department will be seeking out key stakeholders like the educational associations and the activity/athletic organizations, to discuss updating our rules and guidance in this area. We will also be seeking input from you on what you understand to be current practice and how we move toward consistency and compliance with the law. The real issue at play with any SAF use question is whether the public purpose is served by the action. This can be very difficult to determine, so again, work with various stakeholder groups will occur over the next several months to clarify some key issues.

All of that will culminate in an updated set of FAQs on the topics. Please continue to forward your questions to [Jeff Berger](#). We've received many since these presentations and we appreciate all those emails (no, really!). For further conversation on this, contact [Jeff Berger](#), 515.281.3968.

Consortia and Service Provider Agreements

Please continue to send copies of any agreements that you are pursuing related to service providers or consortia to [Jeff Berger](#). We will evaluate each against the guidance and law and give you feedback. It is much easier for all districts to ensure that the agreements are set up correctly before the arrangement begins than to learn at the end of the fiscal year that multiple changes will be necessary in account coding. This article will address two of the most common issues seen in agreements.

A common problem we are seeing is combining a residential facility program with a consortium program. The two programs are separate, accounting is separate, and appropriate uses of funds are different. Students that are placed in a residential facility or a day program at a residential facility will never be included in a consortium.

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- A consortium is an arrangement where a district voluntarily decides to offer its own instructional program with one or more other Iowa school districts who want to do the same.
- A residential facility will not be involved in establishing, nor be a member of, a consortium. The consortium may decide to purchase instructional services from an established residential facility, but beyond being a purchased service, the facility is simply not involved.

A second common problem is confusing when rent is allowable and when it is not.

- A voluntary consortium providing a non-residential educational program can rent a location outside of the school buildings of the host district if that is the decision of the consortium members. That rented space could be on private property such as space available at a residential facility, but that decision is entirely up to the consortium members. The rent must be within the fair rental value (FRV) of space where utilities are included.

Students who are placed by a placement agency or parents in a residential facility, whether the students stay overnight or commute daily, will fall into two main groups:

1. Those placed for some kind of treatment (generally these are Psychiatric Medical Institutions for Children [PMIC] or substance abuse).
2. Those not placed for some kind of treatment (generally these are foster or custodial).

In both cases, the resident district did not have a choice, and the law establishes that the district of location shall provide the instructional program, meaning a consortium in these situations is not a legal option.

- a. When students are placed for treatment, the facility has a contract with the placement agency/person. These students almost never can leave the campus of the facility because that required, contracted treatment can't be suspended during classroom time. The students must be present at the facility to receive their treatment from the facility as required by the contract with the placement agency. Therefore, these situations will not have any facility costs or program overhead costs, or even any treatment costs which were included in that contract with the placement agency passed on to any school district, including the district of location, by the facility.
- b. When students are not placed for any type of treatment, they are simply living at the facility for some other reason, those students may be removed from the facility location to attend class within the classrooms of the school district of location. If the school district of location (rather than the facility) does not have space within its classroom to include these students or some other legal reason to keep these students segregated outside district classrooms (be very careful with Free Appropriate Public Education [FAPE] and Least Restrictive Environment [LRE] here), then the district of location may pay rent (FRV) to the facility if it is the district insisting that the classroom for these students be at the facility's site. That rental cost cannot be billed to other school districts.

Contact [Su McCurdy](#) or 515.281.4738.

Modified Supplemental Amount (MSA) for FY15 Limited English Proficient (LEP) Allowable Costs and the SBRC Application

There are four School Budget Review Committee (SBRC) requests in two separate applications under consideration at this time.

- 1) LEP Allowable Costs Application – your district should have received a reminder email if expenditures exceeded revenues for 2014-2015 and the LEP Allowable Costs application has not yet been certified. A copy of the school board minutes showing the approval for the SBRC request stating the amount and reason will need to be sent to [Carla Schimelfenig](#) as soon as possible. All revenues and expenditures have been prepopulated from the FY15 CAR.
- 2) The SBRC Application contains three separate SBRC requests for modified supplemental amount:
 - a. Increasing Enrollment – for districts showing fall 2015 actual enrollment (formerly known as row 7) greater than fall 2014 actual enrollment.
 - b. Open Enrollment Out – students identified as open enrolled out in fall 2015 who were not included in the district's fall 2014 certified enrollment count, minus any increase in enrollment described in paragraph a. above.
 - c. LEP Instruction Beyond 5 Years – for resident students included in fall 2015 certified enrollment who have already received the maximum English language learner (ELL) supplementary weighting and who are continuing to receive ELL instructional services.

The SBRC application is currently available. It is best to wait to certify until near the end of October or whenever your certified enrollment modifications have been completed. Upload the school board minutes showing the board's approval for the SBRC request(s) with the amount and reason stated for any of the three requests that may be available to your district.

Directions for completing the SBRC application can be found [here](#).

A district can request up to the maximum amount calculated on each section of the two applications; however, it is not required to make a request—it is entirely a decision of the local school board. Both applications are located in the [EdPortal](#). All districts with certified applications and board minutes will be presented as class actions; no district is required to appear.

While the deadline for certifying the SBRC application is December 1, as stated in Iowa Administrative Code 289-6.3(3)h, the goal is to present the MSA requests during the December SBRC meeting. A December presentation means the MSA can be included in the January release of the Aid and Levy worksheets. If all districts eligible to request can certify by early November, then the presentation to the SBRC during December's meeting will be possible. In order to attempt to achieve this goal, following are target dates for the SBRC application:

- Certify by November 6.
- Upload board minutes by November 18.
- If your district is unable to make either or both of these goals, send an email to [Carla Schimelfenig](#) stating the date of the board meeting when the SBRC request(s) will be on the agenda.

Early certification will provide maximum benefits to all districts. Since the SBRC application is available now, early examination will aid in the identification of potential problems in your certified enrollment.

SBRC Held Hearings in October

The School Budget Review Committee (SBRC) met in regular session on October 6, 2015, to hold hearings on budgetary matters. The Department gave the Committee some updates on various topics. The Department reviewed the current status of the on-site fiscal review of the Hamburg and Farragut Community School Districts. The Department informed the Committee that a reaudit at North Cedar indicated interfund transfers utilizing General Fund monies which had not been authorized. When such issues are disclosed in a reaudit, the district is required to appear before the SBRC to address the transfer issues with a plan of correction. The Committee was given a summary of proposed changes to the Department of Management's unspent authorized balance report. The proposed change is to show the categorical funding components in the unspent balance and in the regular program authorized budget. The intent will be that the local district will see how much of its balances or of its budget is restricted to specific purposes and how much is available for general purpose budgeting.

Seven districts were late filing one or more of their fiscal reports which were due on September 15. None of the districts had extensions. One district is no longer in existence. The remaining six districts will be required to prepare and submit a corrective action plan to show the changes in local procedures that will occur which will result in timely filing in future years. None of the districts had state aid withheld.

The Committee approved certain districts requesting supplementary weighting for whole grade sharing where those districts showed progress toward a reorganization or dissolution. Some districts were not approved to request supplementary weighting because they had made no progress or little progress. Districts that were not approved, can resubmit a progress report for consideration for the December hearings if they had more progress to report than they had originally included.

A task force had recommended approval for a Certificate of Need (CON) for Hamburg to use its SAVE money for new construction. The CON is necessary per Iowa Code because of the size of the district. The task force recommendation goes to the SBRC first, before going to the Department for a final decision. Although some of the proposed use of the SAVE money was to address accreditation Americans with Disabilities Act (ADA) issues, some was not, and this was a concern to the Committee. The SBRC vote to approve and forward the recommendation to the Department resulted in a tie vote; thus, the SBRC did not recommend approval of the CON for Hamburg. No amended action was offered. The Department has two weeks from October 6 to reach a decision to approve or disapprove the request and has received additional information from the district to consider.

The Committee approved a request for modified supplemental amount for asbestos abatement that was accounted for in the General Fund for Turkey Valley.

The last hearing of the day was a request for modified supplementary amount for Davenport because of the level of its district cost per pupil (DCPP) within the school finance formula compared to other districts in the state. The SBRC considered the issue, but felt it was a legislative issue rather than an issue for the SBRC venue and found the issue was not unusual or unique to the district. The Committee denied the request.

SBRC Hearing Request On-Line Form

The on-line request for hearing is not working properly. To request a hearing, send an email directly to Su.McCurdy@iowa.gov stating your district name, number, a one-sentence description of the reason for your hearing, and a statement of whether you want an ICN site or you want to come to Des Moines for your hearing.

Local School Board Involvement in the Assignment of General Education Students in Programming Outside of Iowa

In April, we shared the circumstances under which students could be sent to school outside the state of Iowa. Now that it is time to count students for certified enrollment, we thought it would be a good time to re-run that article. Per Iowa Code 282.8, local school districts cannot send students to school districts outside of the state of Iowa unless there is an agreement in place between the respective state Departments of Education. Iowa has only two interstate agreements: Minnesota and South Dakota. The Department reached out to all other bordering states and none was interested in pursuing a state-to-state agreement.

Generally, local school boards are not authorized to place, assign, or tuition Iowa general education students outside of Iowa. These students can be served out of state under the following limited exceptions:

Exception 1: An Iowa court or the Iowa Department of Human Services (DHS) places a general education student outside the state of Iowa. The placing entity pays a negotiated fee to the out-of-state facility to cover basic services and specific treatment per their contract. The public school district has no part in these placements and no cost. No Iowa school district is responsible for any tuition or other costs for a child placed in this manner and cannot voluntarily pay from public funds for these costs that are not its legal responsibility.

Exception 2: The Iowa Department of Education and the adjoining state have negotiated a state-level agreement for this purpose. Iowa school districts near the state boundaries may designate schools of equivalent status across the state line for attendance of students (both general education and special education) when the public school in the adjoining state is closer to the student's home than any appropriate public school attendance center in the Iowa district. Under this exception, an Iowa public school district cannot place students in educational programs outside of Iowa unless both conditions exist: 1) state-level agreement, and 2) the out-of-state public school attendance center is closer to the student's home than any appropriate attendance center in the Iowa public school district. The Iowa Department of Education has negotiated agreements with only two bordering states—South Dakota and Minnesota.

Under Exception 2, if an Iowa resident student elects to attend a district in an adjoining state with a border agreement, the student will have forfeited his or her ability to participate in courses offered under Senior Year Plus (Iowa Code, chapter 261E). Likewise, students from a bordering state who elect to attend an Iowa school are not Iowa residents and cannot enroll in postsecondary enrollment options (PSEO) courses or receive college credit under concurrent enrollment. Because concurrent enrollment courses are district offerings, an out-of-state student may enroll in the course, but must do so directly with the community college and payment of tuition is the responsibility of the parent and not a district responsibility.

Placement of Iowa students receiving special education services outside of Iowa was addressed in separate Department Guidance posted on the [website](#).

Contact [Su McCurdy](#) or 515.281.4738.

School Bus Inspection Notification Process

A revised process for notifying school districts of upcoming school bus inspections is being put into place. At the beginning of each semester, a full schedule of the inspections will be emailed to all school districts, in addition to being posted on the [Bus Inspection Schedules](#) page of the Department's website. Each month, an additional notification will be sent to each district with inspections scheduled for the upcoming month. For example, districts with school bus inspections scheduled in December will receive a reminder notification in November. This process will be phased in over the next few months, with full implementation at the beginning of the second semester of the current school year. If you have any questions, please contact Max Christensen at 515.281.4749 or max.christensen@iowa.gov.

School Emergency Response Planning Workshops

The Iowa Department of Education received federal funding to provide training and technical support to school districts to assist with the process of updating or developing emergency operations plans. This process involves district and community partners working collaboratively for the development or updating of comprehensive plans. The Department encourages districts and schools to identify participants and develop teams who might lead the planning process. These teams might include district administrators, principals, assistant principals, teachers, risk managers, school board members, school safety coordinators, transportation and food service coordinators, facility managers, nurses, counselors, or public information officers. In addition to school staff, county emergency manager, first responders, mental health service providers and other community response partners are highly encouraged to attend these trainings/planning sessions. Together, these partners will collaborate in the development of emergency response plans that reflect the capabilities and organizational structure unique to each community. The workshops will run from 9 a.m. to 4 p.m. on the dates listed below and lunch will be provided. To attend the workshop in your area, register [here](#) where you will find a link to each of the workshops.

AEA	Training Location	Date
Keystone AEA	Keystone AEA 1400 2nd St. NW, Elkader	Thursday, October 29
AEA 267	AEA 267 3712 Cedar Heights Dr, Cedar Falls	Friday, October 30
Northwest AEA	Northwest AEA 1520 Morningside Ave, Sioux City	Wednesday, November 4
Prairie Lakes AEA	Iowa Central Community College Bio-Science/Health Building 1 Triton Circle, Fort Dodge	Thursday, November 5
Great Prairie AEA	Great Prairie AEA 2814 N Court St, Ottumwa	Tuesday, November 10
Mississippi Bend AEA	Mississippi Bend AEA 729 21st St, Bettendorf	Thursday, November 12
Grant Wood AEA	Linn County Emergency Management Kirkwood Community College 6301 Kirkwood Blvd, Cedar Rapids	Tuesday, November 17
Green Hills AEA	Green Hills AEA Halverson Center 24997 Highway 92, Council Bluffs	Friday, November 20
Heartland AEA	Polk County Emergency Management 1907 Carpenter Ave, Des Moines	Thursday, December 3

For additional information, contact Gary Schwartz, gary.schwartz@iowa.gov, 515.281.4743; or Jane Colacecchi, jane@jhcassociates.com, 515.491.6088.

Green Ribbon School Applications Available

The U.S. Department of Education Green Ribbon Schools (ED-GRS) recognition award honors public and private elementary, middle, and high schools, districts, and postsecondary institutions that are demonstrating progress in three Pillars:

1. Reducing environmental impact and costs, including waste, water, energy use and alternative transportation;
2. Improving the health and wellness of students and staff; and
3. Providing effective sustainability education.

The purpose of the ED-Green Ribbon Schools recognition award is to highlight schools, districts, and Institutions' of Higher Education (IHEs) exemplary practices and achievements in the area of the three Pillars and Elements, thereby encouraging other schools, districts, and IHEs to adopt similarly innovative practices. ED-Green Ribbon Schools, District Sustainability Awardees, and Postsecondary Sustainability Awardees are nationally recognized as some of America's most successful educational institutions in reducing their environmental impact and costs; improving health and wellness; and providing effective sustainability education.

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Three applications for the Green Ribbon Schools program are available through the IowaGrants.gov website:

- **Individual School:** FY16 Iowa Green Ribbon Schools – School Application
- **District:** FY16 Iowa Green Ribbon Schools – District Sustainability Award Application
- **College/University:** FY16 Iowa Green Ribbon Schools – College Application

Applications must be submitted to the Department by January 8, 2016. The Department will review applications based on the applicant's demonstrated progress towards the goals of each of the three pillars. Nominees demonstrating exemplary achievement in all three pillars and every element will be ranked highest.

Instructions for applying are located on the Department's website: [Green Ribbon Schools](#). Visit the [ED-GRS website](#) to learn about the GRS program. For assistance, contact [Gary Schwartz](#) or 515.281.4743.

Medicaid

Iowa Medicaid has begun a Modernization project called IA Health Link where almost all Medicaid members will be enrolled in a managed care plan. Four managed care companies were selected to provide statewide managed Medicaid services, both medical and behavioral health.

However, the education programs (local education agency [LEA], area education agency [AEA], and Infant Toddler) do not change. The education programs are outside of the managed care situation. As an LEA or AEA, you will not need to become a managed care network provider.

School staff may hear from families worrying that their student will have to change a community provider who serves the student. Doctors, clinics, audiologists, occupational therapists, physical therapists, speech language pathologists, mental health service providers and others will need to join the network for the Medicaid managed care plan in which the student is enrolled. Four companies were selected to provide statewide managed Medicaid services:

- AmeriGroup Iowa, Inc.
- AmeriHealth Caritas Iowa, Inc.
- United Healthcare Plan of the River Valley, Inc.
- WellCare of Iowa, Inc.

IA Health Link will include the following:

- Physical health care in inpatient and outpatient settings, behavioral health care, transportation, etc.
- Facility-based services such as Nursing Facilities, Intermediate Care for Persons with Intellectual Disabilities, Psychiatric Medical Institution for Children, Mental Health Institutes and State Resource Centers
- Home and Community-Based Services (HCBS) waiver services

Medicaid members will be enrolled in one of the plans beginning October 2015 and advised of their enrollment. Members and families have until December 17, 2015, to make a change. IA HealthLink will commence January 1, 2016.

Families can call a Member Services line, 1.800.338.8366, 8:00 a.m. to 5:00 p.m., Monday through Friday for counseling about choosing a plan. Choice counseling includes answering member questions about each health plan such as:

- Is my provider in the Managed Care Organization (MCO) network?
- Is my pharmacy in the MCO network?
- Does the MCO have specialists close to my community?

If further questions, please contact [Jim Donoghue](#) 515.281.8505.

Data Collections Open to Districts

School Board Officers Report – Due November 2

If you have not already done so, be sure to enter your new board officers and any changes in financial leadership in your district or AEA as soon as those changes are known, and before November 1. The data collection is currently available on [EdPortal](#).

Questions may be addressed to [Marcia Krieger](#), 515.281.5293.

CONGRATULATIONS

Congratulations to Ed Chabel, Chief Financial Officer, Mt. Pleasant Community School District on his election to the Association of School Business Officials (ASBO) International board of directors.

School Association Reporting – Due November 16

Iowa Code 279.38 and 279.38A requires boards of school corporations that pay membership dues to the Iowa Association of School Boards or other organizations which directly relate to the functions of the board of directors, to report annually to the local community and the Department. The board must report the amount paid in annual dues to the organization, any fees paid and revenue or dividend payments received for services the board receives from the organization, and the products or services the school district received inclusive with the membership in the organization. The data collection is currently available on [EdPortal](#). Instructions are located on the certification page of the report and posted on the [School Association Reporting](#) web page.

Questions may be addressed to [Gary Schwartz](#) 515.281.4743.

Chart of Accounts Uploads

The Bureau of Finance, Facilities, Operation, and Transportation Services recommends that districts upload their full Chart of Accounts (COA) into the CAR-2015 COA Test Records each month and resolve Stages 1 and 2 edits. Even though the application has not been updated for the 2016 business rules, there are normally very few changes from year to year. Districts can take this opportunity to identify negative accounts and incorrect coding by reviewing Stage 1 on a regular basis and not letting it accumulate to the end of the fiscal year.

Contact: [Denise Ragias](#) or 515.281.4741.

Title II, Part A

The Title II, Part A FY16 application is open. LEAs will need to access the Title II, Part A application on [IowaGrants.gov](#). To access the application, you must have an A&A account. If you have not used IowaGrants.gov before, you must also register on under “[New Users Register Here](#)”. Please see the [Title II, Part A webpage](#) that will help you with steps to complete the application. The Department offered two webinars going over the application process and answered questions about Title II A federal requirements for public and nonpublic schools. They should be posted on the Department’s website this week.

If you have any questions regarding the allocations or the application, contact [Isbelia Arzola](#) at or 515.281.3954.

Finance Roundtable to Meet

The DE will convene the Finance Roundtable on the morning of October 28, 2015. The Finance Roundtable is a group focused on addressing issues related to school finance and funding. The primary focus of this group is to ensure good flow of information while creating a forum for addressing any issues that exist. Representation on this group is by invitation, but major stakeholder groups, as well as various school district representatives, participate in these meetings. For additional information, contact [Jeff Berger](#), 515.281.3968.

Upcoming Deadlines

School Board Officers Report Due	11-2-15
Exhibits Due for the December SBRC	11-13-15
School Association Report Due	11-16-15
SBRC Application for Modified Supplemental Amount for Increased Enrollment, Open Enrollment Out, and Limited English Proficient Excess Costs, for Districts that want MSA Deadline	12-1-15
First Semester Parental Claim Forms for Nonpublic Transportation Reimbursement Due	12-1-15